



Avon Health Center

652 West Avon Road
Avon, CT 06001
860-673-2521



West Hartford

Health & Rehabilitation Center

130 Loomis Drive
West Hartford, CT 06107
860-521-8700

February 5, 2015

Written testimony of Russell Schwartz, Director of Operations for Avon Health Center and West Hartford Health & Rehabilitation Center Concerning the following bills:

***Proposed H.B. No. 5586 AN ACT INCREASING NURSING FACILITY RATES.**
<http://www.cga.ct.gov/2015/TOB/H/2015HB-05586-R00-HB.htm>

***Proposed H.B. No. 5812 AN ACT CONCERNING A COST OF LIVING INCREASE FOR NURSING FACILITIES.** **<http://www.cga.ct.gov/2015/TOB/H/2015HB-05812-R00-HB.htm>**

***Proposed S.B. No. 231 AN ACT CONCERNING COST-OF-LIVING INCREASES FOR NURSING HOMES.** **<http://www.cga.ct.gov/2015/TOB/S/2015SB-00231-R00-SB.htm>**

Good evening Senator Moore, Representative Abercrombie and to the members of the Human Services Committee. My name is Russell Schwartz. I am Director of Operations for Avon Health Center and West Hartford Health & Rehabilitation Center. Avon & West Hartford are longstanding providers of nursing care in their communities. My family has operated these facilities for more than 40 years. Both facilities have a combined 280 beds, and employ over 400 staff members. Our facilities are Medicare 5-star rated, and have won various quality awards, including the bronze and silver awards from the American Health Care Association.

I want to publicly thank the state legislators who introduced these urgently needed bills--- House Republican Leader Klarides, and Representatives Perillo and Gentile, and State Senator Crisco. And thank you also to the Human Services Committee for including these bills at this public hearing.

All 3 bills address the same issue; namely that CT facilities have had essentially no rate increase since 2007, while our operating costs continue to rise every year. Our facilities have very high fixed operating costs, that can't be reduced even when census is down. These legislative bills recognize this unsustainable practice, and provide for increasing daily rates, by

an annual cost of living adjustment or through a formula that increases rates based on the nursing facilities costs.

Our industry needs your help. My facilities need your help. And ultimately my residents need your help. We cannot continue down this road where revenue fails to meet rising expenses. No business can survive this backward slide year after year. Without your help, I have very few options to choose from in order to keep my facilities viable. Any change I make will compromise my employees' livelihood, and jeopardize the quality of care delivered to my residents. There is no excess overhead to cut. I have done that already.

While rates have remained stagnant, here are some examples of what our facilities have faced:

- Workers' Comp rates have increased by 10% per year.
- Property & Casualty Insurance has risen by 8-10% every year.
- Utilities, taxes, maintenance & repair costs, supplies, food and other ancillary and therapy costs have gone up each year.
- The added costs of implementing electronic health records, and the purchase of needed furniture and equipment.
- Wages and payroll taxes have increased, along with related health insurance and benefits related costs, and more.

I am asking you to advance these bills and provide our nursing facilities the help they desperately need to care for our residents.

Thank you and I would be happy to answer any questions you may have.